Rule No. 9

RENDERING AND PAYMENT OF BILLS

A. Rendering of Bills

Bills for service will be rendered to each customer on a monthly or bimonthly basis at the option of the utility, unless otherwise provided in its rate schedules.

At the customer's request and the utility's approval, paper bills, electronics bills, or access to electronic bills for service will be rendered monthly, bimonthly, or at other intervals.

1. Metered Service
   a. Meters will be read at regular intervals for the preparation of periodic bills and as required for the preparation of opening bills, closing bills, and special bills.

   b. The opening bills for metered service will not be less than the established monthly minimum or readiness-to-serve charge for the service. Any amount paid in excess of the prorated charges against the charge for the succeeding regular billing period, except that no such credit shall accrue of the total period of service is less than one month.

   c. It may always be practicable to read meters at intervals which will result in billing periods of equal number of days.

      (1) Should a monthly billing period contain less than 27 days or more than 33 days, a pro rata correction in the amount of the bill will be made.

      (2) The charge for metered service for a bimonthly period will be computed by doubling the monthly minimum or readiness-to-serve charge and the number of cubic feet to which each block rate is applicable on a monthly basis.

      (3) For billing periods other than monthly or bimonthly, adjustments will be made proportionate to that for a monthly billing period.

   d. Bills for metered service will show at least the reading of the meter at the end of the period for which the bill is rendered, the meter constant, if any, the number and kinds of units, and the date of the current meter reading.

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(Continued)

1. Metered Service (Continued)

   e. Each meter on a customer’s premises will be considered separately and
      the readings of two or more meters will not be combined except where
      combination of meter readings is specifically provided for in the applicable
      rate schedule, or where the utility’s operating convenience or necessity
      may require the use of more than one meter or a battery of meters. In
      the latter case, the monthly minimum or readiness-to-serve charge will be
      prorated from the monthly minimum or readiness to serve charges of the
      applicable rate schedule upon the basis of a meter size equivalent in
      diameter to the total combined discharge areas of such meters.

2. Flat Rate Service

   a. Bills for flat rate service are payable in advance.

   b. The opening bill for flat rate service will be the established monthly
      charge for the service. Any amount paid in excess of the prorated
      charges otherwise applicable to the opening period will be credited
      against the charge for the succeeding regular billing period, except
      that no such credit shall accrue if the total period of service is less
      than one month.

   c. For billing periods other than monthly, the charge for flat rate service
      will be computed by multiplying the monthly charge by the number
      of months in the billing period.

3. Proration of Bills

   a. The charges applicable to opening periods, closing bills and bills
      rendered for periods corresponding to less than 27 days or more
      than 33 days for monthly billing periods will be computed as follows:

      (1) Metered Service

      The amount of the minimum charge (and the quantity
      allowed therefor) or the readiness-to-serve charge
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(continued)

3. Proration of Bills (continued)
   and the quantity in each of the each quantity rate blocks
   will be prorated on the basis of the ratio of the
   number of days in the period. The measured quantity of
   usage will be applied to such prorated amounts and
   quantities

(2) Flat Rate Service
   The billing period charge will be prorated on the
   basis of the ratio of the number of days in the
   period to the number of days in an average billing
   period.

(3) Average Billing Period
   The number of days in an average billing period is
   defined as 365 divided by the number of billing
   periods in a year. (It is 30 days for a monthly billing period.)

4. Electronic Bill Presentation and Payment
   At the mutual option of the Customer and Cal Water, the Customer may
   elect to receive, view, and pay regular bills for service electronically and
   to no longer receive paper bills and legal and mandated notices.
   Customers requesting this option may be required to complete additional
   forms and agreements. Legal and mandated notices shall be included
   with Cal Water’s electronic transmittal; except, however, all notices of
   termination of service for nonpayment shall be delivered by U.S. Mail.
   Either party may discontinue Electronic Billing upon 30 days prescribed
   notice.

B. Payment of Bills

   (1) Bills for service are due and payable upon presentation.
       Collection of closing bills may be made at the time of presentation.

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(continued)

B. Payments of Bills (Continued)

Payment may be made to any representative of the utility authorized to make collections. Payment may also be made:

1. through a third-party operated pay-by-phone service available through an 800-number;
2. at Cal Water's local customer service center;
3. through Cal Water online at www.calwater.com; and
4. through third party vendors.

Options (1) through (3) include both one-time payments and a recurring billing payment option. If a customer signs up for e-billing, all future paper bills will also be suppressed in accordance with Rule 9.A.4.

2. Bills for customers under the utility's Automatic Payment Service (APS) are due and payable monthly in accordance with the utility's approved payment schedule.

3. A credit card or debit card option, on a pilot basis, will be available to customers. All credit and debit card payment options will be available to all customers. This program will either continue indefinitely, continue as modified by Cal Water or Commission decision, or be terminated by Cal Water or the Commission decision rendered at the conclusion of the pilot program.

C. Customer Checks or Electronic Fund Transfer Not Honored

The utility may charge $10.00 for any bad check or electronic fund transfer not honored.